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FOR IMMEDIATE RELEASE  
MONDAY, APRIL 2, 2007  
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CRM  
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TDD (202) 514-1888

## **BILOXI ATTORNEY PAUL MINOR AND TWO FORMER MISSISSIPPI STATE COURT JUDGES CONVICTED FOR ROLE IN BRIBERY SCHEME**

WASHINGTON – A federal jury in Jackson, Miss., has convicted Biloxi attorney Paul S. Minor, former Mississippi state chancery court judge Walter W. Teel, and former Mississippi state court circuit judge John H. Whitfield of charges related to their role in a bribery scheme in which Minor provided Teel and Whitfield with money and other things of value in exchange for favorable rulings in cases brought before the judges by Minor's law firm, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

The jury found the defendants guilty on March 30 of all 14 charges in a December 2005 indictment, following a 20-day trial and a day of deliberations. The Honorable Henry T. Wingate, Chief Judge, U.S. District Court for the Southern District of Mississippi, presided over the trial.

The jury convicted Minor, 61, of conspiring with Teel and Whitfield; six counts of honest services mail fraud; one count of honest services wire fraud; two counts of bribing and employee of state agency that received federal funds; and one count of the Racketeer Influenced Corrupt Organizations (RICO) statute, for the use of the employees and resources of his law firm, Minor & Associates, to accomplish and further a pattern of racketeering activity that included bribery of Whitfield and wire fraud in connection with the payoff of a loan to Whitfield. Teel, 56, was convicted of conspiring with Minor in a bribery scheme; two counts of using the mails to deprive the citizens of Mississippi of the intangible right to his honest services; and one count of federal program bribery. Whitfield, 44, was found guilty of conspiring with Minor in a bribery scheme; four counts of honest services mail fraud; one count of using the wires in a scheme to deprive the citizens of Mississippi to the intangible right to his honest services; and one count of federal program bribery.

"The jury's conviction of attorney Paul Minor and former Judges Walter Teel and John Whitfield sends an important message – we will not tolerate the bribery of judges to influence matters before the court," said Assistant Attorney General Fisher. "The American people expect and demand a system of justice that is free of corruption. We will prosecute those who attempt to buy or sell positions of high public trust for their own financial benefit."

The jury heard evidence that, in November 1998, Minor guaranteed a \$25,000 line of credit for Teel at a Biloxi bank while Teel was a candidate for a judgeship in chancery court of Harrison County. The line of credit purported to be for campaign expenses. After Teel was elected, Minor, in an effort to conceal the fact that he was paying off the loan himself, used cash and an intermediary to disguise the true source of the loan payments. Thereafter, then-Judge Teel was assigned to a civil case in chancery court in which Minor's firm represented a local bank in a bad faith declination of coverage suit against the bank's insurance provider. The case was to

be tried without a jury. In 2001, as the case proceeded, Teel made favorable rulings for Minor's client on issues of discovery and summary judgment.

Around that time, then-Judge Teel and two other chancery court judges became the subject of a state criminal investigation for misappropriation of funds. Among the efforts Minor made to assist the judges under investigation was a meeting Minor arranged between the judges and the then-Attorney General of Mississippi. Minor provided transportation to the meeting via his private jet and also hired a public relations firm to assist the judges. After Teel was indicted on state charges, Minor paid a portion of the legal expenses for Teel's defense. Teel was ultimately acquitted. Within weeks of the meeting with the Attorney General, Teel presided over a settlement conference in the lawsuit between Minor and the attorneys for the bank's insurance provider. During the negotiation, Teel made statements to the parties indicating his belief in the strength of the plaintiff's case and insinuated that, were the defendants to push the case to trial, Teel would be inclined to award punitive damages to the plaintiff. The insurance provider promptly agreed to settle the case for \$1.5 million dollars. None of the attorneys representing the insurance provider were made aware of the financial relationship between Teel and Minor.

The jury also heard evidence that, in November 1998, Minor guaranteed a \$40,000 loan for Whitfield at a Biloxi bank while Whitfield was a candidate for re-election to the Circuit Court of Harrison County. The loan purported to be for campaign expenses. After Whitfield was elected, Minor guaranteed an additional loan for then-Judge Whitfield for \$100,000, purportedly for the down payment on a house. Minor, in an effort to conceal the fact that he was actually paying off the loans himself, used cash and an intermediary to disguise the true source of the loan payments.

Whitfield was later assigned to a personal injury case in circuit court in which Minor's firm represented an oil rig worker injured as a result of his employer's alleged negligence. Whitfield presided over the trial and found in favor of Minor's firm's client. He awarded damages in the amount of \$3.75 million dollars, an award he later reduced by approximately \$100,000. Minor continued to disguise the fact that he was making payments on the Whitfield loans and ultimately paid them off through the use of an intermediary.

Minor, Teel and Whitfield each face a maximum sentence of five years in prison and a \$250,000 fine on the conspiracy charges; 10 years in prison and a \$250,000 fine on the federal program bribery charges; and 20 years in prison and a \$250,000 fine on the honest services mail/wire fraud charges. Minor also faces a maximum sentence of 20 years in prison and a \$250,000 fine on the RICO charge. Sentencing is scheduled for June 14, 2007.

The verdict is the result of the second trial in this matter. The previous trial, conducted in the summer of 2005, involved similar allegations against Minor, Teel, Whitfield, and Mississippi Supreme Court Justice Oliver Diaz. The jury acquitted Diaz of all charges, acquitted Minor on the charges related to Diaz, but was unable to reach a verdict on the remaining charges.

The case was prosecuted jointly by the U.S. Department of Justice, Public Integrity Section, and the U.S. Attorney's Office for the Southern District of Mississippi. The case was tried by Assistant U.S. Attorneys Ruth R. Morgan and David H. Fulcher; and Trial Attorney Natasha Tidwell of the Public Integrity Section, headed by Chief William M. Welch, II. Senior

Deputy Chief Peter J. Ainsworth of the Public Integrity Section participated in the investigation and indictment of this matter. The case was investigated by the Federal Bureau of Investigation.

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